

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1110

AN ACT AMENDING THE CONVEYANCE OF PARCELS OF STATE LAND TO

Title: THE NEW HAVEN PORT AUTHORITY.

Vote Date: 5/19/2021

Vote Action: Joint Favorable

PH Date: 5/14/2021

File No.: 740

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

Sponsors of the Bill:

The Government Administration and Elections Committee

Reasons for Bill:

This bill will amend a prior conveyance to reduce the purchase price for parcels of state land by the cost of environmental testing and remediation of the parcel for contamination on the parcels.

Response from Administration/Agency:

Joseph Giulietti, Commissioner, Department of Transportation:

The Department is opposed to this bill. Section 6 of Public Act 18-154 requires that this property be sold to the New Haven Port Authority (NHPA) for fair market value based upon the average of two appraisals. As written, the bill requires the cost of environmental testing and remediation be deducted from the sale price. The Department does not believe that the property outlined in the bill is an Establishment pursuant to the Connecticut Transfer Act. There is no Required Remediation Orders issued from the Department of Energy and Environmental Protection (DEEP) and there are no significant environmental hazards present at the site. A conveyance for less than fair market value not approved by Federal Highway Administration would require the state to reimburse FHWA the federal share of the value of the property. If passed, additional funding will be needed to reimburse FHWA.

Melissa McCaw, Secretary, Office of Policy and Management:

OPM is opposed to this bill. Any conveyance should be for fair market value, which assumes no environmental concerns. No orders for remediation have been filed by DEEP and the parcels are not believed to be deemed establishments under the Transfer Act. The Federal Highway Administration requires DOT to obtain fair market value. Approval of this bill would contradict the FHWA requirement and would establish a precedent that all state-owned

properties sold by the state would require the state to pay for all remediation and due diligence costs, including testing, which is standard for the buyer to pay for.

Nature and Sources of Support:

Maggie Targove, Executive Director, New Haven Port Authority:

They support this bill so long as it is amended to accommodate the construction of a warehouse and commercial building on the adjacent property located at 85 Kendall Street. Plans for the development of the Kendall Street property have already been reviewed and approved by the New Haven City Plan Commission. The addition of 135 Fulton Terrace and 54 Edgemere Street will allow for an expanded building foot print and increase off-street parking. The construction of the Pearl Harbor Memorial Bridge required the acquisition of several properties displacing businesses from the port district and reducing New Haven's grand list, and this development will help to mitigate some of those losses.

Nature and Sources of Opposition:

None expressed.

Reported by: Dallas Emerle

Date: 5-19-21